

# Congress

## Taking Care of Business

By Richard E. Cohen

■ A new group of House Democrats wants to show that its party can be business-friendly too.

■ Its members emphasize that the entrepreneurial skills they honed while running their own companies can come in handy in Congress.

When members of the new Congressional Business Owners Caucus convened in early October, a central topic of discussion was how the pending health care reform legislation would affect small companies. The hour-long session in a cubbyhole office resembled many other meetings on Capitol Hill, in that the 10 or so lawmakers who attended arrived and departed sporadically, talked up their own ideas, and then left it to staff to take it from there. What was unusual was that the House members who belong to the group aren't Republicans, the party traditionally more closely aligned with business, but rather Democrats.

The caucus's objective is to push congressional Democrats to more knowledgeably foster the nation's business interests, especially those of small business. Its members have sought to build on their own experiences in the business world before they were elected.

Rep. Steve Kagen, D-Wis., who organized the caucus early this year and serves as its chairman, is a nationally recognized physician who opened four allergy clinics in his home state before he was elected in 2006. "Many members who I trust and deal with are former business owners. We ask ourselves: 'Will it work? Is it affordable? Is it the right thing to do?'" Kagen said. "Especially in these economic times, it's important for small business to have a seat at the table before legislation is written."

Kagen recruited 53 members to join the caucus, although a smaller number regularly attend the weekly meetings. The group represents a cross section of House Democrats, but its members are predominantly centrists who are junior in seniority. They frequently emphasize that their business instincts and pragmatic approach can be highly valuable for members of Congress, who face a constant stream of

opportunities and demands. "We came to Congress to solve problems," Kagen said.

Still in its infancy, the caucus is less an autonomous advocacy group than a support network for like-minded lawmakers to exchange information about their own and their constituents' views. Members seek their colleagues' reaction and backing, and they test proposals that they may be independently pursuing in the House.

"Those of us who have started a business have insight on the impact of government and what small businesses are going through. Many members have no insight of what it's like to pay a mortgage or meet a payroll," said Rep. Joe Baca, D-Calif., who owned a travel agency in San Bernardino before he entered politics. "The caucus members came together because we have a better understanding of issues like health insurance, workmen's comp, and bankruptcy laws."

Another active caucus member is freshman Rep. Jared Polis, D-Colo., a 34-year-old venture capitalist who started *ProFlow ers.com*, a website that connected flower vendors with buyers, which he later sold for a large profit.

"For Democrats to organize themselves as the majority party, we must represent all of the interests in society—including business—and show that we understand those views," Polis said. "My business perspective has been valued by other members who have turned to me for advice." He noted that the caucus is not ideological and that its members do not all take the same legislative approach. Polis added that his business experience was a plus in his hard-fought Democratic primary contest last year.

At its October 7 meeting, the caucus mulled over regional disparities in health care pricing and complaints from local businesses that health insurers have been increasing premiums in anticipation of new legislation. Freshman Rep. Kathy

■ Steve Kagen



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Dahlkemper, D-Pa., said in an interview that she has drawn upon her experience as the co-owner, with her husband, of an Erie-based landscaping business.

"We had to ask our employees to pay for half of their insurance premium," Dahlkemper said. "Some of our competitors didn't pay for anything. Those have been heart-wrenching decisions for us.... It's important to have members with that perspective."

Kagen takes credit for the House Democratic leaders' decision to include in their initial health reform measure his proposal to ban insurers from discriminating based on pre-existing medical conditions. He has continued to press for increased price transparency and improved quality in the health care system. As he relentlessly pursues the issue with party leaders and committee chairmen, he has been listed as undecided in the Democrats' whip count on health reform legislation.

Kagen—who has won two close elections in a House district that has often changed parties—has also turned his attention to the need for a new job-creation tax credit, which might give employers a partial rebate for the cost of hires. He raised the idea during an October 28 meeting of his caucus and in a conference call that morning with reporters.

Despite the new group's focus on making the Democrats' health care reform effort business-friendly, Republicans have repeatedly warned of the adverse impact of the legislation for small businesses. "A small-business man said to me that the numbers just don't add up for him," said Rep. Mike Pence of Indiana, who chairs the House Republican Conference. "Millions of Americans will lose their coverage because of the increased cost to small business. Small business in America won't be fooled."

Likewise, a House GOP leadership aide belittled the Democrats' creation of the group. "They are justly concerned that the White House rhetoric that veers into anti-business territory—including attacks on the chamber of commerce—doesn't reflect the views of the American people," the aide said.

House Democratic leaders have made overt pitches to small-business needs as they have struggled to cobble together a majority for a health care reform measure. "One of the problems small businesses have," Majority Leader Steny Hoyer, D-Md., told reporters on October 27, "is that they can't get insurance either for themselves or for their employees, because the group is so small that their rates

gressional Republicans. Michael Diegel, the NFIB's national media director, said he has not met with the Democratic caucus's members.

Still, Diegel indicated that he was open to contact with the fledgling group. "It's important to have policy makers who know what it's like to sign the front of a paycheck, not just the back of one, and understand the challenges small-business owners face," he said in an e-mail. "Small business is a big tent, and we welcome anyone who wants to enter." Representatives of the National Small Business Association did not return phone inquiries, while an official from the National Association of Realtors said he was not aware of the caucus.

The Small Business Majority, a less prominent lobbying organization formed in 2005, has had closer ties to the caucus. Terry Gardiner, the national policy director of the group, which he joined two years ago after retiring from the seafood business in Alaska, has worked extensively with caucus members. He praised their "empathy in understanding our issues" and added, "Former business owners usually understand the business point of view. They have walked in my shoes."

As the caucus seeks to carve out a niche in the House, one potential stumbling block is its relationship with the standing House Small Business Committee. The low-profile panel has largely been a legislative backwater, with mostly junior members from each party, but it has established roots as an advocate of the small-business community across the nation.

"We are parallel ships," Kagen said. "It never hurts to have more voices working on issues." Still, an aide to Small Business Committee Chairwoman Nydia Velazquez, D-N.Y., said he was unfamiliar with Kagen's group.

Gardiner downplayed the possibility of conflict. "There is a lot of overlap in Congress," he said. "You never quite know who does what, and why. When we meet with all groups, including party leaders and committee chairmen, there is an echo-chamber effect."

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## Jared Polis



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are, on average, 20 percent higher than their competitors who are larger. We are trying to deal with that."

Members of the business-owners caucus cite such comments as evidence that fellow House Democrats are listening to what they're saying, including the need to be mindful of the context for health reform. "We have brought these issues to the leadership," said Rep. Ed Perlmutter, D-Colo., who cited his 25 years as a partner with a Denver law firm as his small-business experience. "Our caucus has become a resource for House Democrats.... Especially for junior members, we need to show our constituents that we are making things better."

Established Washington lobbying groups that represent small businesses appear to have had few dealings with the new caucus. The National Federation of Independent Business has a history of working closely with con-